



# Dora

Department of Regulatory Agencies

www.askdora.colorado.gov  
1560 Broadway, Suite #1550, Denver, CO 80202  
303.894.7855



**Consumer protection  
is our mission**

**Barbara J Kelley**  
Executive Director  
303-894-7866  
303-894-7885 fax

**Jo Donlin**  
Legislative Liaison  
303-894-2950 wk  
303-503-4453 cell

**John Hickenlooper**

Governor

## Legislative Fact Sheet

# Health Cost Report Data Collection Threshold Representative Primavera/Senator Newell

## DORA & DIVISION OF INSURANCE SUPPORT HB 1223

Each year, the Division of Insurance (DOI) produces the annual Health Cost Report which provides essential information on the cost of health insurance, the factors that drive the cost of health insurance, and the financial status of health carriers in Colorado. To compile the report, the DOI surveys every Colorado health insurance carrier in the state. HB 1223 amends 10-16-111(4)(a) to give the Commissioner of Insurance rulemaking authority to set a threshold that will determine which carriers need to report data. Due to an amendment in the House, the Commissioner must report at least 92% of the market. This bill allows for a more timely and efficient collection of information for the Health Cost Report, and eases the administrative burden on smaller health insurance carriers.

- Currently, DOI must survey ALL health insurance carriers doing business in Colorado.
- In Colorado, 33 companies make up 90% of the market while there are 415 companies that account for the remaining 10%.
- In general, collecting survey information from a vast majority of the market is straightforward; however, tracking down smaller companies can delay the report by months and requires exorbitant amounts of staff resources.
- Additionally, the data provided by smaller companies in the market have no significant impact on the results published in the report.
- This bill amends 10-16-111(4)(a) to give the Commissioner of Insurance rulemaking authority to establish a threshold for health insurance companies required to report data.
- By allowing the Commissioner rulemaking authority, the report will be finished in a more timely manner, the data will remain valid, and the process will be more efficient. It will also ease the administrative burden on smaller insurance companies.

## **HB13-1223 – Health Cost Report Data Collection**

### **Possible Questions & Answers**

**Q.** On what basis will the Commissioner of Insurance set the threshold for the health insurance carriers to report health cost data?

*A. Due to an amendment in the House, the Commissioner will be required to report at least 92% of the market, however it may be higher.*

**Q.** Why are the carriers who make up the last 10% to report so difficult to survey?

*A. These carriers are typically small and reporting the data to the Division of Insurance is not a priority for them. Many of them recognize it is important and will contact the Division about the delay, while others simply don't respond. Division staff must repeatedly send requests to these small carriers time and again for the information.*

**Q.** Does the Health Cost Report discuss the costs of healthcare itself (or rising healthcare costs, or the many factors that influence the rising cost of healthcare)?

*A. The report does not address all of the costs of healthcare, nor all of the factors that influence those costs. It is concerned with the cost of health insurance and the factors that drive the costs of that insurance. Clearly, health insurance is a part of the costs of healthcare, and the factors influencing the cost of health insurance are some of the same as those influencing healthcare costs (inflation, utilization, new technology), but insurance is a piece of a larger puzzle. Note that the report also has information on the financial status of health insurance carriers in Colorado, a status related to the healthcare industry as a whole.*

**Q.** What is the main purpose of the Health Cost Report?

*A. To report annually on the cost of health insurance, the factors that drive that cost, and examine the increases in health insurance premiums in Colorado. It also provides an overview of the companies' expenses and financial statements, focusing primarily on the commercial health insurance market for individual, small group and large group plans.*